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SIPDIS

E.O. 12958: DECL: 07/07/2012
TAGS: [PREL](#) [EAID](#) [KV](#) [UNMIK](#) [CA](#)
SUBJECT: CANADIAN OBSERVER TO KOSOVO DONORS' CONFERENCE

REF: A. STATE 69691
 [1](#)B. PRISTINA 354
 [1](#)C. OTTAWA 395
 [1](#)D. OTTAWA 312

Classified By: PolMinCouns Scott Bellard, reasons 1.4 (b) and (d)

[1](#)1. (U) This is an action request -- see para 4.

[1](#)2. (C) In response to ref a demarche, Director General for East, Central, and South Europe Robert Hage of the Department of Foreign Affairs and International Trade (DFAIT) confirmed to PolMinCouns on July 7 that Canada would send an observer from the Canadian International Development Agency (CIDA) to the July 11 donors' conference for Kosovo, but would not participate actively and would not make new pledges. He noted that, while Canada still remained Kosovo's tenth largest donor, Canadian assistance to Kosovo (and the Balkans) would wind down by 2010 or possibly 2011 (ref d) in line with the Conservative government's decision to focus on fewer, higher priority countries (Afghanistan, Haiti, Sudan). He predicted little likelihood that the government would reverse this policy, despite repeated recommendations from civil servants at DFAIT and CIDA.

[1](#)3. (C) However, Hage expressed interest in the concept of debt relief for Kosovo, while noting that negotiations with Serbia on the split-up of inherited Yugoslav debt would likely be "endless." He promised that, if the USG could provide additional details about the debt and how such debt relief would work (i.e. through one of the new World Bank trust funds?), he would pursue this possibility with counterparts in the Department of Finance and in DFAIT.

[1](#)4. (C) Action request: Please provide additional information on Kosovo's exact debt situation and how, specifically, Canada could offer such relief.

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WILKINS